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**FISCAL IMPACT STATEMENT**

**LS 6786**

**BILL NUMBER:** SB 396

**NOTE PREPARED:** Feb 3, 2014

**BILL AMENDED:** Jan 30, 2014

**SUBJECT:** Telecommunications Service.

**FIRST AUTHOR:** Sen. Hershman

**FIRST SPONSOR:** Rep. Koch

**BILL STATUS:** As Passed Senate

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill limits the authority of the Utility Regulatory Commission (IURC) with respect to interconnection, resale of telecommunications service, and unbundled access to the authority delegated to the commission under federal law. It repeals a provision authorizing the IURC to establish certain rates charged by incumbent local exchange carriers to payphone service providers.

The bill provides that the General Assembly intends for the 2010 edition of the NFPA 72, National Fire Protection Association Standard for the National Fire Alarm and Signaling Code (NFPA 72) to be incorporated into the Indiana Administrative Code (IAC). It provides that not later than July 1, 2014, the Fire Prevention and Building Safety Commission (commission) shall adopt rules to incorporate NFPA 72 into the IAC. It allows the commission to adopt emergency rules to meet this requirement. It allows the commission to amend NFPA 72 as the commission considers appropriate, if the rules finally adopted by the commission do the following:

- (1) Incorporate the definition of, and associated requirements for:
  - (A) a managed facilities-based voice network (MFVN); and
  - (B) a public switched telephone network (PSTN); as set forth in NFPA 72.
- (2) Allow digital alarm communicator systems that make use of a MFVN to transmit signals from a fire alarm system to an offsite monitoring facility, subject to NFPA 72 requirements.

The bill provides that if the commission does not comply with these rulemaking requirements by the date specified, the following apply on July 1, 2014:

- (1) The definition of and associated requirements for:
  - (A) a MFVN; and
  - (B) a PSTN; as set forth in NFPA 72, are considered incorporated into the IAC.

- (2) A person that after June 30, 2014, installs or uses a digital alarm communicator system that:
- (A) makes use of a MFVN to transmit signals from a fire alarm system to an offsite monitoring facility; and
  - (B) meets the applicable NFPA 72 requirements; is not required to obtain a variance from the commission for the installation or use.

**Effective Date:** (Amended) Upon Passage; July 1, 2014.

**Explanation of State Expenditures:** *Indiana Utility Regulatory Commission (IURC):* This bill would minimally reduce workload for the IURC by removing the jurisdiction of the IURC to establish just and reasonable rates that may be charged by an incumbent local exchange carrier to a payphone service provider.

The current payphone tariffs have been in place since 2009 as a result of Cause No. 42303. Rates must be based on costs incurred by the incumbent local exchange carrier to provide the service, consistent with the requirements of 47 U.S.C. 276, nondiscriminatory, and consistent with guidelines for payphone service providers established by the Federal Communications Commission.

(Revised) *Fire Prevention and Building Safety Commission:* The commission has already approved inclusion of the 2010 edition of NFPA 72 into the IAC. These changes are expected to go into effect in April 2014. Therefore, the bill's requirements are within the agency's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Utility Regulatory Commission; Fire Prevention and Building Safety Commission.

**Local Agencies Affected:**

**Information Sources:** Danielle McGrath, Indiana Utility Regulatory Commission, 317-232-2297; Mara Snyder, DHS, [msnyder@dhs.in.gov](mailto:msnyder@dhs.in.gov); LSA DOC. #12-522-NFPA 72, 2010 Edition (<http://www.in.gov/dhs/3770.htm>).

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